

## Message Text

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PAGE 01 BONN 08399 01 OF 02 231834Z

46

ACTION EUR-12

INFO OCT-01 ISO-00 MC-02 ACDA-05 SAJ-01 CIAE-00 DODE-00

PM-03 H-02 INR-07 L-02 NSAE-00 NSC-05 PA-01 PRS-01

SP-02 SS-15 USIA-06 /065 W  
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R 231809Z MAY 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC 0347

INFO AMEMBASSY BRUSSELS

USMISSION NATO BRUSSELS

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

C O N F I D E N T I A L SECTION 01 OF 02 BONN 08399

E.O. 11652: GDS

TAGS: PFOR, EAIR, MASS, GGW

SUBJECT: EUROPEAN AIRCRAFT INDUSTRY AND F-104 REPLACEMENT

REF:- BONN 7808

1. SUMMARY: KNOWLEDGABLE ECON MIN SOURCE HAS TOLD US THAT NO FORMAL EUROPEAN PREFERENCE ARRANGEMENT FOR CIVIL AIRCRAFT PROCUREMENT EXISTS. GERMAN OBJECTIVES DURING RECENT MEETINGS RELATING TO THE F-104 REPLACEMENT QUESTION HAVE BEEN TO ENCOURAGE THE FORMATION OF A LONG-RANGE COORDINATED APPROACH TO EUROPEAN AIRCRAFT PRODUCTION. ALTHOUGH THE FRG SUPPORTS THE FURTHER DEVELOPMENT OF A EUROPEAN AIRCRAFT MANUFACTURING CAPABILITY, IT DOES NOT BELIEVE THIS MUST NECESSARILY BE COUNTER TO U.S. INTERESTS. THE GERMANS CONTINUE TO VIEW CLOSE COOPERATION WITH THE U.S. AS VITAL TO THE FUTURE OF THE EUROPEAN AEROSPACE INDUSTRY. OUR CONTACT BELIEVES SOME FORM OF USG/FRG CONTACT ON AEROSPACE DEVELOPMENTS WOULD BE WORTHWHILE.

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PAGE 02 BONN 08399 01 OF 02 231834Z

2. DURING A LUNCHEON CONVERSATION WITH EMB OFFS ECON

MINISTRY DEPUTY ASST SECRETARY SCHOMERUS (INDUSTRIAL POLICY) SPOKE AT LENGTH ON CURRENT MINISTRY THINKING ON THE FUTURE OF EUROPEAN AEROSPACE INDUSTRY. REFERRING TO THE RECENT BRUSSELS MEETING, SCHOMERUS DENIED THAT A FORMAL EUROPEAN PREFERENCE ARRANGEMENT FOR CIVIL AIRCRAFT PROCUREMENT EXISTED. HE ACKNOWLEDGED, HOWEVER, THAT EUROPEAN GOVERNMENTS PARTICIPATING IN VARIOUS CIVIL AIRCRAFT PROJECTS (SUCH AS THE AIR BUS) HAD BEEN STRONGLY MOTIVATED TO PERSUADE NATIONAL AIRLINES TO PURCHASE EUROPEAN-MADE AIRCRAFT. THE DEGREE OF PRESSURE DEPENDED ON INDIVIDUAL GOVERNMENT ATTITUDES AND IN SCHOMERUS' VIEW, THE FRG HAD EXERTED FAR LESS PRESSURE ON GERMAN CARRIERS THAN WAS THE CASE IN FRANCE. IN GENERAL, THE FRG REMAINED CONVINCED THAT OBLIGATORY PROCUREMENT OF EUROPEAN MANUFACTURED AIRCRAFT WAS IN THE LONGER RUN SELF-DEFEATING AND COULD NOT REPLACE THE DEVELOPMENT OF COMPETITIVE AND ECONOMICALLY FEASIBLE AIRCRAFT SYSTEMS.

3. SCHOMERUS SAID THAT THE FRG WAS PURSUING A HANDS-OFF POLICY WITH RESPECT TO THE F-104 REPLACEMENT, SINCE THE PRESENT GERMAN CONCEPT ENVISAGED THE MRCA, THE ALPHA JET AND THE F-4 AS FULFILLING THE ROLE OF A F-104 FOLLOW-ON. (ALTHOUGH ALSO REFLECTING THE FONOFF POSITION, THIS VIEW IS NOT ENTIRELY CONSISTENT WITH WHAT WE HAVE HEARD FROM SEVERAL FMOD SOURCES, REFTEL.) IN THESE CIRCUMSTANCES THE GERMANS WENT TO BRUSSELS WITH THE OBJECTIVE OF ATTEMPTING TO PERSUADE ITS EUROPEAN PARTNERS TO TAKE A LONG-RANGE AND COMPREHENSIVE VIEW OF EUROPEAN AIRCRAFT PRODUCTION. SCHOMERUS POINTED OUT THAT IN THE MILITARY AREA EUROPEAN PRODUCERS WERE SADDLED WITH AT LEAST THREE IMPORTANT AIRCRAFT SYSTEMS (THE MIRAGE, MRCA, AND JAGUAR). FROM THE GERMAN POINT OF VIEW IT WOULD HAVE BEEN MUCH WISER HAD AN ANALYSIS OF EUROPEAN-WIDE REQUIREMENTS BEEN MADE PRIOR TO THE COMMITMENT OF NATIONAL GOVERN-

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PAGE 01 BONN 08399 02 OF 02 231842Z

46

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C O N F I D E N T I A L SECTION 02 OF 02 BONN 08399

MENTS TO THESE PROJECTS SO THAT RESOURCES COULD HAVE BEEN DEVOTED TO THE MULTINATIONAL DEVELOPMENT OF ONE AIRCRAFT FOR WHICH THERE WAS A DEFINITE MARKET.

4. SCHOMERUS FELT STRONGLY THAT THE SAME COORDINATED APPROACH WAS ESSENTIAL FOR THE FUTURE DEVELOPMENT OF A VIABLE EUROPEAN CIVIL AIRCRAFT CAPABILITY. HE REPEATED A PREVIOUSLY STATED GERMAN POSITION (SEE BONN A-843) THAT ANY ARRANGEMENT THE FRG MIGHT CONCLUDE WITH ITS EUROPEAN PARTNERS WOULD NOT BE FOR THE PURPOSE OF EXCLUDING COOPERATION WITH THE UNITED STATES. INDEED, THE FRG SAW A CLOSE RELATIONSHIP WITH THE US AEROSPACE INDUSTRY AS AN IMPORTANT ELEMENT IN THE FURTHER EVOLUTION OF EUROPEAN INDUSTRY. SCHOMERUS ENVISAGED A EUROPEAN AEROSPACE CAPABILITY COVERING CERTAIN MARKET SLOTS, BUT NOT NECESSARILY ENGAGING IN HEAD-ON COMPETITION WITH AMERICAN INDUSTRY. HE SAID THAT HE PERSONALLY WOULD WELCOME THE INITIATIVE OF A DIALOGUE BETWEEN THE US AND FRG ON AEROSPACE MATTERS, BOTH AT THE IN-CONFIDENTIAL

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PAGE 02 BONN 08399 02 OF 02 231842Z

DUSTRY AND GOVERNMENT LEVELS. ALTHOUGH SAW COOPERATION WITH THE US AS VIRTUALLY ESSENTIAL, HE STATED FORCEFULLY THAT IT WOULD BE UNREALISTIC FOR THE US TO ASSUME THE FRG AND ITS EUROPEAN PARTNERS WOULD NOT WISH TO MAINTAIN AN INDEPENDENT AEROSPACE CAPABILITY.

5. SCHOMERUS CONCLUDED WITH ASSURANCES THAT THE PRESENT SPATE OF MEETINGS ON EUROPEAN AEROSPACE MATTERS WAS NOT FROM THE GERMAN POINT OF VIEW DESIGNED TO BE TO THE US' DISADVANTAGE. HE INDICATED THAT HE HAD NO ILLUSIONS ABOUT FRENCH INTERESTS REGARDING THE SALE OF ITS OWN

AEROSPACE PRODUCTS, BUT HE DID NOT SEE THESE AS HAVING A DOMINANT INFLUENCE ON LONGER-RANGE GERMAN OBJECTIVES. HE ADDED THAT HE WOULD WELCOME SUGGESTIONS FROM THE US SIDE REGARDING THE DEVELOPMENT OF A CONSTRUCTIVE EXCHANGE OF VIEWS ON THE POINTS DISCUSSED ABOVE, AND WONDERED WHETHER ECON MINISTER FRIDERICH'S FORTHCOMING VISIT TO THE UNITED STATES MIGHT NOT AFFORD AN OPPORTUNITY TO DEAL WITH SOME OF THESE ISSUES, AT LEAST IN GENERAL TERMS.

6. COMMENT: SCHOMERUS, WHO HAS BEEN RECENTLY PROMOTED TO HIS PRESENT POSITION, IS A YOUNG, DYNAMIC OFFICIAL CLEARLY IN LINE FOR POSITIONS OF GREATER INFLUENCE IN THE FIELD OF GERMAN INDUSTRIAL POLICY. THE POINTS HE MADE ABOVE ARE CONSISTENT WITH VIEWPOINTS HE HAS EXPRESSED OVER THE PAST SEVERAL YEARS. WE ARE, THEREFORE, INCLINED TO GIVE CONSIDERABLE WEIGHT TO HIS OPINIONS, PARTICULARLY AS REGARDS AEROSPACE, AN AREA HE HAS SPECIALIZED IN. ALTHOUGH FRIDERICH'S VISIT MAY OR MAY NOT BE AN APPROPRIATE OCCASION TO DISCUSS THESE ISSUES, WE BELIEVE IT WOULD BE WORTHWHILE TO BE RESPONSIVE TO SCHOMERUS' OFT-STATED DESIRE FOR A CLOSER EXCHANGE OF VIEWS ON AEROSPACE MATTERS.  
HILLENBRAND

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## Message Attributes

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**Decaption Date:** 01 JAN 1960  
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